

COMMENT SET 9: GET OIL OUT

Get Oil Out! PO Box 23625 Santa Barbara, CA 93121

September 15, 2006

Peter Strait, Project Manager
California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

RE: Ellwood Marine Terminal Lease Renewal DEIR Comments

Dear Mr. Strait:

GOO! wants to reiterate its appreciation to State Lands Commission staff for holding a hearing in Goleta on the Ellwood Marine Terminal (EMT) Lease Renewal Draft Environmental Impact Report (DEIR) last month.

A lot has changed since the 1983 EMT lease was approved. It is unfortunate that we did not have the valuable information contained in this DEIR in 2003 or even in 1993. Given all the mitigation measures that must be added in order to make approval of the lease extension *possible*, we are probably lucky that we have had no spills in the last 15 years. As stated in GOO!'s scoping letter submitted in 2004, the gravest concern that GOO! has is the risk of an oil spill and the environmental damage that would result.

Before stating our specific comments on the document, GOO! would like to emphasize that the EMT and its components are dinosaurs—the tanks and the onshore pipeline, built in 1929 are over 75 years old; the Jovalan barge operation where oil is being transported a relatively long distance in a single hulled barge almost 30 years old is unheard of elsewhere; the subsea offshore pipeline is almost 40 years old. And last, but not least, the entire operation is a non-conforming use, a relic of the past which should be retired as soon as feasible. The main policy question raised by these points is “How long should these legal non-conforming uses and aging facilities be allowed to continue, especially when the risk of environmental damage goes up as they get even older?” GOO! believes that the time for a change came in 2003 when the second lease renewal should have occurred. It is certainly now well overdue.

GOO! has four specific comments on the DEIR, as follows:

GOO-1

Increase in barging: At the scoping hearing, GOO! raised the need for a specific project description that included a cap on the number of barrels of oil that would be loaded onto the barge on a monthly basis, especially given the aging facilities involved. It was our understanding that the EMT lease was being proposed for extension merely to continue the current level of production at Platform Holly until 2013. However, Page 2-11 in the document indicates that the number of terminal barge calls will gradually increase until the expiration of the lease in 2013, up to 88 per year. This is a *four fold increase* over the 2004 annual barge trips (2005 should be added to Table 2-2 on page 2-12). Except for mentioning the 2001 redrill proposal, there is *no indication as to from where the balance of the 13,000 bbls/oil/day might come*. (current = 4000, redrill = 2000 max). More information is needed on these extra 7,000 bbls/oil/day. It must be made clear whether any of the oil from Venoco's proposed Full Field development is included in that number. This is a major concern since it will also result in a three-four fold increase in air emissions as noted in Table 4.3-9 on page 4.3-21.

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GOO-2

Alternatives: The DEIR discusses only one alternative, the No Project Alternative. This alternative assumes that if the lease is NOT extended, the EMT would be abandoned. However, it also assumes that the oil would continue to be produced and be transported either by truck OR pipeline. The current analysis indicates that both of these forms of transportation are environmentally preferable to continued tankering, but that the use of a pipeline is superior.

There is no alternative that considers the possibility of combining these forms of transportation, ie. the use of truck transportation pending the construction of a pipeline or continued use of the EMT pending construction of a pipeline. Both alternatives could include specific milestones to be met toward completion of the pipeline. In the past, this approach was taken with the Point Arugello Partners pipeline project. Mitigation measures in the DEIR would require that the Jovian be double hulled by 2010. A pipeline could clearly be permitted and constructed before that time. GOOI would therefore request that these "combination alternatives" be added to the DEIR and reviewed as independent Alternatives. There is no reason that these alternatives, which both involve construction of a pipeline, should not be stand-alone alternatives (as evidenced by Venoco's current application, which includes such a pipeline, now in the environmental review process). Establishing these Pipeline Alternatives as separate alternatives would allow one of them to be chosen as the environmentally superior alternative.

Included in the analysis of all of these alternatives should be a discussion about whether or not trucking oil would be consistent with the County's Oil Transportation policies. If trucking is not feasible, then any alternative involving truck transportation should be removed from all of the alternatives.

GOO-3

Mitigation Measures/Inspections: Overall, GOOI found the mitigation measures contained in the DEIR to be very thorough. Many of these measures include increased inspections and discussions occur throughout the document about a variety of inspection schedules, including those for the tanks, pipelines on and offshore, etc. Since many of these are technical and can be confusing, GOOI is requesting that the DEIR include a chart showing all of the EXISTING inspections for each of the components and any new additional inspections that are being proposed through the EIR's mitigation measures. This will make it easier for the public to understand what is currently being done and how that will be improved if the lease is extended.

GOO-4

Other Items: 1) Pages 2-31 and 4-13 are inaccurate with regards to the status of the Full Field Development application which is now in the environmental review process. 2) Page 2-15 does not indicate that Tank 8264 has been returned to full service. 3) On page 4.4-26, it states "The increased vessel traffic would increase the risk of a vessel accident and an attendant spill." However, there appears to be no analysis as to how much greater the risk of a spill would be with the increased traffic. This information should be added.

Again, GOOI appreciates the opportunity to comment on this long-awaited DEIR and looks forward to providing testimony to the State Lands Commission on the project.

Sincerely,

Abe Powell

Abe Powell, President
AP:edf

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1 believed that there should be a cap, because the current
2 4,000 barrels was what we thought that this project was
3 specifically going to address, that it was going to address
4 the current situation.

5 Now, in the EIR, it indicates that there was the
6 redrill proposal in 2001, that was approved, and it might
7 bring up to an additional 2,000 barrels of oil per day, but
8 there was no mention, that I could find in the EIR, about
9 where the other 7,000 barrels might be coming from.

10 And so more information is really needed. It
11 vaguely mentions that there might be other redrill projects,
12 but it's very vague and there's just a total lack of
13 information on that, at this time.

14 So I think we need to know where those 7,000
15 barrels are coming from, whether they're related to full-
16 field development, what are they related to. Because,
17 again, I think our original concept of this project was that
18 it was to allow the current existing situation only to
19 continue until 2013, and that there would actually, really
20 be no increase unless it went, you know, beyond the 2001
21 redrill at this time.

22 So that's a very large concern to us and we'd like
23 some clarification in that area.

24 The second area of major concern is alternatives.
25 As far as we can tell and, again, in your presentation you

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1 indicated that the only real alternative is the no project
2 alternative. And that listed under the no project
3 alternative are two possibilities, and it was discussed
4 earlier, the truck transportation and pipeline
5 transportation.

6 So the no project alternative actually assumes
7 that if the lease is not extended, that it doesn't assume
8 abandonment, it assumes some other form of transportation.

9 It is our understanding, as it was referred to
10 earlier, by one of the speakers, that the county's oil
11 transportation policies, that have been enacted since 1985.
12 These are not new policies, this is not any news to anybody,
13 but the county prefers pipeline transportation and since
14 that time certain amendments have been made moving even more
15 in that direction.

16 That in any case, it's our understanding that
17 trucking from the Ellwood Onshore Facility to Carpinteria,
18 other than for emergency, simply would not be allowed under
19 county ordinance. And if that, in fact, is true and we've
20 asked for clarification on this, this alternative should be
21 eliminated from the document. We shouldn't waste any
22 further time on it, if it's not -- can't be done.

23 So that leaves us with the no project alternative,
24 with abandonment, immediate abandonment, and the no project
25 alternative with pipeline transportation.

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1 And we want to note that the pipeline
2 transportation should also be considered as a completely
3 independent alternative. There's no reason that this
4 alternative cannot exist on its own, as evidenced by the
5 fact that Venoco has a currently application, now, in the
6 environmental review process, for exactly this pipeline.

T-10 7 Establishing the pipeline alternative, as a
8 separate alternative, is important because it would allow
9 that to be possibly chosen as the environmentally superior
10 alternative. And we think that has a lot of merit, we think
11 it should be able to float to the top and see if, in fact,
12 that's the way to go.

13 The way I understand it, reading the EIR, though,
14 as long as it remains under the no project alternative, as a
15 subset to that, it may not necessarily be chosen as the
16 environmentally superior alternative.

17 Another item on inspections, and this was even
18 reinforced for us, listening to the testimony of an earlier
19 speaker, is that in reviewing the document there's a lot of
20 discussions in the mitigation measures and in the document
21 about a variety of inspections. Inspections for tank,
22 inside inspections, outside inspections, pipelines,
23 inside/outside, onshore/offshore, et cetera. And unless I
24 just haven't found it yet, I think what would be really
25 helpful is if we could have, somewhere in the document, a

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1 chart that shows those three components or more, if there
2 are, that have to be inspected, when they have to be
3 inspected, by whom they have to be inspected, what the
4 current situation is, and what the additional mitigation
5 measures, that are being proposed in the EIR would add onto
6 that.

7 My assumption was, in reading the mitigation
8 measures, that they were mitigation measures because they
9 currently weren't being done, but that may not be a correct
10 assumption.

11 So I think we need to get really clear on what are
12 the current requirements, what are the proposed requirements
13 through mitigation measures, and are those adequate. And I
14 noticed, in some cases, they said every ten years. Well, we
15 don't have ten more years until 2013. And depending on when
16 this gets actually renewed and approved, we may not even
17 have that five years.

18 So again, depending on when those have to be done.
19 So I think that would be very helpful to have a chart for us
20 more lay people to look at and say, okay, this looks like
21 it's really well covered or it's not really well covered.

22 We're going to continue to go through the document
23 and try to see if there are any other items, but just the
24 two that popped out of us, initially, we're on page 2-31, is
25 inaccurate with regards to the status of the full-field

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T-12 1 development application. It indicates that that application
2 was done incomplete but it is currently, actually, now in
3 the environmental review process.

4 I think it would be good to have that corrected
5 and it might be interesting to look at how far these two
6 processes are apart.

T-13 7 Page 215 does not indicate that Tank 8264 has been
8 returned to full service, but I've been told by someone at
9 the county staff level that that, in fact, is true. I think
10 it would be good to have that information included.

11 So again, we will be looking to see if there are
12 any other of these smaller items, but we really hope to see
13 some changes in the EIR with regards to those three larger
14 items.

15 Thank you.

16 MR. STRAIT: Thank you, Mrs. Frisk. Before you
17 sit down, I do have one question about your speaker slip.
18 You've both circled and put a line through the "yes," for
19 the mailing list.

20 MS. FRISK: It's a circle.

21 MR. STRAIT: Okay, you want yes? Well, it is
22 circled, it's got both. All right, so you want to be on the
23 mailing list?

24 MS. FRISK: I want two copies. No, I'm just
25 kidding, one copy's fine.

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RESPONSE TO COMMENT SET 9: GET OIL OUT

GOO-1 The proposed Project is a 10-year extension of the marine terminal lease. Under the existing lease, which is has been extended on an annual basis since 10-year lease expired in 2003, Venoco would be able, pursuant to the permit issued by the SBCAPCD, to transport 13,000 barrels per day (bpd) through the EMT for a maximum of 88 trips of year. Under the lease extension, provisions of the existing permits are unaffected. As indicated in Section 2, Project Description, current production levels are well below permitted levels.

The DEIR evaluated maximum permitted levels and considered production scenarios under which the EMT could be utilized at or near permitted levels. In addition to the three production wells that were approved for redrilling in 2001, Venoco has indicated that they intend to seek approval for the redrilling of other production wells on Platform Holly. Venoco is also currently seeking approval for resuming production from wells on the PRC 421 piers. Crude oil from these wells would all be transported via the EMT.

Any additional crude oil produced from outside of Venoco's current leases would not be allowed to be transported through the EMT under the provisions of AB16, which was approved by the legislature in 2003 and would require pipeline transport of crude oil. Therefore, the DEIR did not consider transport through the EMT of any future production from Venoco's proposed Full Field Development project, which would be legally infeasible under the requirements of AB16. However, in order to meet the requirements of the CEQA, the DEIR evaluated the maximum EMT throughput and number of barge calls, even though operating at the maximum capacity seems unlikely under the allowable production scenarios.

GOO-2 Potential impacts associated with each alternative transportation option i.e., barge, truck and pipeline, were thoroughly evaluated in the DEIR. Numerous impacts were identified, all of which could occur even if more than one transportation mode were to occur in the future. Even in the event that a combined alternative were considered, no additional impacts would be identified, with potential impacts consisting of the combined impacts of the transportation modes that are considered.

- 1 Given the current year-to-year holdover status of the EMT lease, it is
2 likely that annual lease renewals would continue until the improvements
3 for an alternative mode of transportation (pipeline or truck
4 transportation) could be completed. Given the uncertainty of which
5 transportation option might be selected as a consequence of the No
6 Project Alternative, as well as the timing of changing to truck and/or
7 pipeline transportation, a combined scenario was considered
8 speculative and not evaluated in the DEIR. Since all relevant
9 transportation options have been evaluated, decision makers can
10 combine transportation options as necessary.
- 11 GOO-3 Table 4.2-4 has been added to the hazardous materials section
12 showing the inspection requirements and the current practices.
- 13 GOO-4 Corrections to the status of the Full Field Development proposal (See
14 Page 4-12 of this document) and to the EMT tank status (Page 4-2 of
15 this document) have been added. Table 4.2-13 (in the Final EIR; table
16 numbers have changed in Section 4.2) shows the increase in spill
17 probability due to an increase in barge traffic.
- 18 T-8 Please see the response to Comment SBC-1. Potential future redrilling
19 projects could not be evaluated in the DEIR since Venoco has only
20 indicated that there may be additional redrilling projects, but has not
21 proposed any at this time.
- 22 T-9 In the event that the No Project Alternative is selected, crude oil
23 trucking could occur under what would be considered an emergency
24 situation. Therefore, the DEIR evaluated trucking as an alternative oil
25 transportation option. Since it is also possible that a crude oil pipeline
26 may not be approved in the future, trucking for a long duration was
27 considered in the DEIR as a potential consequence of the No Project
28 Alternative.
- 29 T-10 In the DEIR, the No Project Alternative, along with the evaluation of
30 pipeline and truck transportation options, is consistent with the intent of
31 CEQA Guidelines Section 15126.6(e)(2), as "...would be reasonably
32 expected to occur in the foreseeable future if the project were not
33 approved..." Under the No Project Alternative for the EMT, Venoco
34 would be required to find an alternative mode of crude oil transportation

1 and would be reasonably expected to operate on year-to-year lease
2 extensions as has been the case since February 2003. The evaluation
3 of a pipeline transportation alternative that is separate from the No
4 Project Alternative would not substantively differ from the current DEIR
5 analysis of pipeline transportation and would provide no new
6 information on potential environmental benefits or impacts. As stated in
7 the DEIR on Page ES-24, lines 20-22, "Given the relative advantages of
8 pipeline over truck transportation of crude oil, the Pipeline
9 Transportation to Las Flores Canyon transportation option is
10 environmentally preferable."

11 T-11 A table has been added to the hazardous materials section showing the
12 inspection requirements and the current practices.

13 T-12 At the time the DEIR was written, Venoco did not have a complete
14 application for their Full Field Development Project. Venoco's
15 application was deemed complete March 30, 2006. The text of the
16 document has been revised to correct the status of this project. Please
17 also see the response to Comment VEN-1.

18 T-13 Both EMT crude oil storage tanks experienced problems during the
19 preparation of the DEIR. At the time, Tank 8264 was not yet in service.
20 The text was not corrected when service resumed. The text has been
21 corrected to show that Tank 8264 is back in service. The DEIR
22 evaluated potential impacts based on both tanks being in service.